

Analysis of China's Medical Insurance Level Based on Health Economics Perspective

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Abstract. Based on the perspective of health economics, this paper describes the meaning of China's current health care coverage and examines the issues related to this level and other economic factors, so as to find a theoretical basis for achieving the goal of "low level, large scope" in China, then makes some suggestions on how to determine the appropriate level of health care coverage in China.

Keywords: Medicare levels. Medicare. Health economics.

1. Introduction

Over the past 30 years of medical reform, China's basic guidelines and several specific understandings have deepened with the changing times. No matter what kind of health care reform plan we finally adopt, we should first deeply understand several principle issues of China's health insurance system reform and grasp some of the most critical, core and socially acceptable factors, so as to judge the current development status of China's health care security work, better summarize our experience and provide a basis for future policy formulation.

2. Meaning of Medicare

2.1 Medical Expense Coverage

Assurance of health care costs plays a pivotal role in health insurance. If patients are sick but they do not have sufficient financial resources to receive treatment, they can be assured of their medical expenses through health insurance, which is both a necessity for the poor and a key to achieving overall health care goals. Health care cost coverage is an important institutional arrangement for improving access to health care. In addition, access to health care for all nationals, especially those with low incomes, through redistribution is also a major means of improving the supply of health care services [1].

2.2 Medical Service Guarantee

The health care services market is where people are provided with and have access to health care services, including the need for and supply of a wide range of products and services that can treat disease, maintain, improve or enhance health. The focus of health care coverage is on the coverage of medical institutions and human resources. The security of medical services refers to the easy access to medical facilities such as hospitals and convalescent and rehabilitation centers to obtain the medical services needed when a patient is sick. Although the level of medical care is now high and medical insurance is common, it is too far away to get treatment or to meet the needs of a growing population [2]. As a result, there are still many places where there is a shortage. This phenomenon occurs not only in remote villages, but also in residential areas near major cities. Therefore, we need to rationalize the relevant medical facilities throughout the country so that people can seek medical treatment more easily and conveniently and ensure the accessibility of medical services. In addition, the current imbalance between supply and demand of medical and health talents in China is also prominent. Due to the market economy system, the concentration of health talents in China tends to be concentrated in the central cities, which can no longer be solved well by relying on market mechanisms alone. The guarantee of medical human resources is to rely on the power of the

government and society to deploy all kinds of professional medical personnel, as well as to cultivate other medical institutions, in order to ensure a balanced supply and demand of medical human resources between urban and rural areas and regions [3].

2.3 Coverage for Preventive Medicine

In terms of medical safety, while treatment is important, prevention is in some sense more important. Prevention can reduce the incidence of disease, lower medical costs and reduce patient suffering. Preventive medicine is an important component of health care, and its development has led to further improvements in the level of health services. Indeed, because the country values the important role of prevention for health, health care today is shifting from treating diseases to preventive care and promoting health care, which is the purpose of health care, not just ensuring that people receive treatment when they are sick. Therefore, the development of preventive medicine and health services is an important part of health insurance systems around the world, including: the establishment of an extensive network of preventive medicine, a healthy social system, a better health screening, health guidance, health counseling, etc., which are going to receive more and more attention [4].

2.4 Public Health Program

The public health program is a basic health issue for all people, and its goal is to provide universal access to basic health care services by improving health conditions through effective improvement of management mechanisms. Public health services are a public good, so the government should assume its social responsibility to maintain them. China has largely achieved the first health revolution and effective control of communicable diseases, and is now facing effective control of non-communicable diseases. If we can achieve effective control of major diseases, public health care services based on public health will have a huge scale and spillover effect [5].

3. Awareness of Several Issues of the Current Medicare Reform

3.1 Positioning of the Medical Insurance Business

Health is the most important concern in human social life, it is the main force of human social development and the eternal source of human social development, which is the proper meaning of health services. For a long time, people have regarded health as a welfare consumption only, ignoring its relationship with macroeconomy and its important role in human capital. Health is a prerequisite for economic activity, economic income and personal development. Health care is fundamentally an investment in the health of the population, a productive investment. According to the investment concept, public health spending will not grow at least as slowly as overall fiscal spending [6]. If such spending is seen only as a public good, the amount invested loses an objective evaluation of the public base needs, putting it at a competitive disadvantage in terms of public investment. From this point of view, it is clear that one of the trends of market-oriented reforms is to reduce the social benefits generated during the planned economy.

The construction of China's medical security system is mainly state-based, led by the government and participated by the society. China under this model has formed an integrated urban and rural basic public service system with urban residents, urban workers and rural population as the core. As the economic standard of living improves and people's awareness of health increases, more and more policies related to social security issues such as pension insurance are gradually introduced and implemented [7]. In China, the main purpose of medical security is to solve the problem of people's difficulties in treating and preventing diseases, and to provide a good living environment for the elderly and disabled people, such as: "three out of welfare" and other related policies; "five guarantees" and some other policies, which are these policies play an important role in disease prevention and health care.

3.2 Principles of Medicare Reform

The health insurance system is centered on "health", ensuring health insurance coverage and equal access to medical services, improving the efficiency of investment in the health care system, improving the operational efficiency of all aspects of the health care system, and improving the quality of medical services to meet the increasingly diverse needs of the population [8]. The reform of the medical insurance system should follow the principles of fairness, efficiency and convenience, which are both linked and facilitated, as well as conflicting roles. With the development of society and economy, people's demand for health is getting higher and higher. For a long time after the reform and opening up, our health care reform has been fundamentally market-driven, with equity and availability being completely ignored among the three major goals of efficiency, equity and accessibility. As a result of market-oriented reforms, the focus of reform of our health care system has been on establishing a sharing mechanism that removes too much responsibility from the government. The reform of medical institutions focuses on the adjustment of the pricing system for medical services and the establishment of a so-called "reasonable compensation mechanism," while the reform of the pharmaceutical production and distribution system focuses on the introduction of a competitive mechanism [9]. Based on the above reforms, there is an implicit assumption that the market can automatically improve the efficiency of resource allocation, including health care. As a result of the failure to establish a public health and social security system based on national health outcomes in line with the conditions of a socialist market economy based on the overall improvement of the effectiveness of universal health care, multiple "policy structural vacuums" have emerged in the health care sector from the planned system to the market system, and the "invisible hand" in the market sector has clearly overstepped its boundaries, with medical services being efficiently "marketed" as disease treatment [10]. This blind faith in the market has caused the government to fail in its duty, on the one hand, because the government has not done its due diligence, and on the other hand, because the market has failed to allocate medical resources in a way that is fair and efficient.

3.3 Underpinning of Public Financing Mechanisms

At present, the government invests very little in community health services and can only finance them through the market. The market is often difficult to raise funds for these "public goods", which leads to insufficient supply of "public goods" and eventually has to give up a large number of group interventions and become a simple outpatient department, which brings greater market space and financing difficulties for community health services. From the practice of countries around the world, the establishment of a sound health insurance fund is the key to the operation of our health care system and medical security system [11]. The goal of health financing is twofold: first, to guarantee equity and accessibility of health care services. Second, to guarantee that patients do not suffer catastrophic losses due to illness, so that the majority of the population can share the risk and thus avoid poverty due to high health care costs. Financial revenues and social security are important ways and important financing sources for the development of health in our country. Public health funds are designed to use limited funds to maximize the protection of the health of the insured, so it will focus on costs and provide more health "public goods", such as preventive care and health education, leading to the need for community health services.

4. The Direction of Medicare

4.1 Realize Medical Insurance from Covering Urban Workers to All Residents in Urban and Rural Areas

For a long time, social development in China has seriously lagged behind the development of the economy, and the development of public goods and public services has been unbalanced. This situation is particularly prominent in health care. 44.8% of the urban population and 79.3% of the rural population rely on out-of-pocket payments for medical care, suffering from a variety of physical,

psychological and financial stresses. During the period of economic transition in China, vulnerable groups such as migrant workers, flexibly employed people, the elderly, and minors have poor health status [12]. How to include them in the health insurance system and reduce their health risks is an important aspect of China's current improved health insurance system. The exploration of Suzhou City in establishing a universal health insurance system has certain reference value. In other words, on the basis of the basic medical insurance for employees, Suzhou provides medical insurance for elderly residents of non-working age, students, minors and disabled people of working age. bear.

4.2 Transformation from Sickness Insurance to Health Insurance

The current medical insurance system, whether it is the basic medical insurance for urban residents or the new cooperative medical insurance for rural areas, these are all major medical insurance, in the form of insurance to provide financial compensation afterwards for medical expenses incurred due to illness. It is a significant progress compared with the previous publicly funded medical care and labor insurance medical system. However, the current medical system still focuses on the treatment of diseases, and is unable to fundamentally maintain health and reduce and avoid the occurrence of diseases. Medical treatment is not only for the treatment of diseases, but also for the protection of the health of all human beings, so a safe and efficient health care system cannot target diseases. A good health care system should not only take care of patients who are admitted to hospitals, but should minimize the number of sick people entering the doors and keep normal people from going to the doctor," said Uzhitu, a member of the Standing Committee of the National People's Congress. Insurance companies are both risk-taking managers and responsible for the risks. The key to health risk control is to focus on "prevention and health care", from "disease insurance" to "medical insurance", which is a more active "health insurance". The connotation of medical insurance has been greatly expanded to emphasize treatment after illness (therapy), while health protection is prevention (disease). Medical insurance is not only the protection of medical expenses, but also the importance of medical staffing of medical institutions, medical facilities, and improving the material basis of medical services; we should focus on health content and health standards, and constantly improve the quality of health work. At the same time, we should focus on improving people's living conditions and constantly improve their quality of life, so as to promote their health. In fact, Europe and the United States have taken the lead in implementing "health insurance for the elderly," which has evolved from an "after-the-fact" model to a "preventive health insurance" model, and has implemented a more proactive "health-oriented" health insurance [13]. Looking at the development of health care in China, we can see that in the era of planned economy, medical services were low cost and high efficiency, and the relationship between health care and prevention was closely linked. Therefore, whether from the international experience, our practice, or the actual medical cost management needs, we must transform from a "disease-based" medical model to a "health-based" medical model. The implementation of medical insurance is not only related to the development and soundness of medical insurance, but also has important significance for the reform of medical system, the adjustment of medical resources, and the construction of medical insurance.

4.3 Vision of Universal Health Coverage

4.3.1 Goals of Health Coverage

This paper presents the purpose of China's health system reform from the actual situation in China, which is to maintain, improve and enhance the health condition of the people, and to build a multi-level health insurance system based on this, so as to provide better medical services for different classes of people. The purpose of medical insurance is, first of all, to be accessible to everyone and to reflect social equity. This also means that people, regardless of their income level or social status, can enjoy the financial protection and health care services of health insurance in the event of health risks. Universal health coverage is not the same for everyone, different people can participate in different health care systems and different levels of health care coverage. Of course, in the process of China's economic and social development and the overall construction of a well-off society, the

differences and gaps in our residents' health insurance system should be gradually reduced and developed to a certain extent, so that all people can enjoy the same health insurance. Second, to protect the basic needs of life. Our existing financial strength and the affordability of enterprises are limited, and there is a big gap between social resources and the huge demand for medical services. Therefore, the health insurance enjoyed by all people can only be the most basic health protection, that is, the most basic medical and health service needs. Again, the focus is on health. The focus of the health insurance system is on health, not disease, and it does not sit around waiting for patients to get sick and passively providing them with medical care, but rather proactively maintaining and promoting health before they even get sick. Health insurance needs to change the past concept of only focusing on treatment and neglecting prevention, change the past health care system that separates health care from public health and preventive care, focus on and promote health from before disease occurs, and reduce the incidence and severity of disease through preventive care and health maintenance to meet the health needs of the people. Finally, there are multiple levels. Basic medical coverage is only the basic platform that everyone can enjoy, and those who are able to do so can voluntarily enroll in supplementary, commercial medical insurance on top of that to receive a higher level of medical coverage. A good medical security environment is created to meet the needs of a certain percentage of the people, and corresponding institutional arrangements are made for this [14].

4.3.2 Institutional arrangements for health protection

We want to achieve universal health insurance coverage for all. On this basis, the author proposes a multi-level health protection system with basic medical and social medical care as the mainstay, supplemented by commercial health insurance. First is public health. The government is responsible for the health of the nation, starting with public health. Under a health-centered medical insurance system, a large number of public health components are incorporated into the health insurance system. In particular, it is necessary to include the prevention and control of chronic diseases, health education, regular medical check-ups and the development of good living habits for individuals in the scope of health insurance, and to combine them with basic medical services. In terms of funding sources, some of the funds required for public health programs come from the state treasury, with the government assuming its public health function, while the other part needs to be financed through health insurance funds. The second is the basic health service. Basic medical insurance is an important part of China's medical insurance system, both urban and rural residents can enjoy the basic medical insurance system. At present, the basic medical insurance system for urban residents in China is the first basic medical security system, and its coverage is for those who work in regular urban units. In order to make up for the shortage of urban-rural coordination, this paper proposes a new institutional arrangement of urban-rural coordination. In cities, because of the large number of flexibly employed people in the informal sector, as well as unretired elderly people and children, it is difficult to achieve full coverage of universal health insurance by the basic health insurance system for urban workers, which relies only on payroll taxes as the basis for contributions. From the practice of countries around the world, the residents' health insurance program and its mutual complementarity is a way for developing countries to achieve universal health coverage, and it is also a system option that China can learn from [15]. In addition, an institutionalized and standardized social medical assistance system should be established to provide free or low-cost medical assistance to the poor who cannot be insured. First, establish professional relief medical institutions to provide free or reduced medical services to eligible poor people. Second, a certain percentage of medical expenses already incurred among the poor will be compensated. At present, the scale of China's medical aid fund is small, so it needs to be raised through various ways, optimize the program design and promote the standardization of medical aid. It is necessary to gradually set up a medical aid working mechanism with corresponding medical personnel to improve the level of protection of medical services. Through the efforts of all parties, medical assistance can truly achieve the purpose of enabling poor people to receive basic medical services. At present, the scale of China's new rural cooperative medical care is expanding, but the difficulties in financial financing, poor management ability and poor supervision make it a great risk in the process of rapid development. Therefore, it is necessary to carry out the

process conditionally, systematically and steadily, and establish a stable and long-term financing mechanism to ensure the healthy development of new rural cooperative medical care. Third, to carry out health care operations. There are many problems with the medical and health care business in China. Since commercial health insurance is for all residents, its main protection is not covered or under-covered in the social security system. Therefore, it can be used as a complement to social security programs to meet the needs of the population for a higher level of medical services. Some financially affluent citizens are unable to meet the current quality of services in public hospitals and the requirements of the social health insurance system for the type of medical services and drugs. This calls for better quality and effectiveness of services, so it is important to make full use of the complementary function of commercial health insurance.

5. Conclusion

From the perspective of health economics, the article tries to discuss the reform of China's medical insurance system and puts forward some opinions on this issue. In this context, "efficiency first, fairness balanced" has become a conceptual choice of the government, which is reflected in the reform of China's urban residents' medical insurance system, and the government is increasingly emphasizing that the medical reform serves the economic construction and the reform of state-owned enterprises. The result of this "economic" oriented reform program is that the future of China's health insurance system will be too market-oriented and less equitable in health care. Therefore, adjusting the value orientation of our health insurance system and establishing the basic value orientation of "balance between fairness and efficiency" is an urgent issue to be solved now. Health is a fundamental prerequisite for maintaining people's freedom and happiness, and is widely regarded as a reasonable value and a real goal of development. In order to achieve this goal, all people should have the same health conditions and equal access to medical services.

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